

Message Text

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INFO USLO PEKING
AMEMBASSY TAIPEI
AMEMBASSY TOKYO
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CINCPAC FOR POLAD

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SUBJECT: COMMENTS BY PRC VICE FOREIGN MINISTER YU CHAN

THE ASIAN WALL STREET JOURNAL OCTOBER 3 CARRIES REPORT
BY ED CONY, EXECUTIVE EDITOR OF THE WALL STREET JOURNAL,
AND PETER R KANN, PUBLISHER AND EDITOR OF THE ASIAN WALL
STREET JOURNAL, ON THEIR INTERVIEW ON PEKING WITH VICE
FOREIGN MINISTER YU CHAN. THE STORY IS HEADLINED "CHINA
REJECTS TWO U.S. IDEAS ON TAIWAN ISSUE." THERE FOLLOWS
THE FULL TEXT:

"A HIGH CHINESE OFFICIAL FLATLY REJECTED TWO FORMULAS
FOR A TAIWAN SETTLEMENT THAT HAVE BEEN ADVANCED BY U S
CHINA EXPERTS IN AND OUT OF THE CARTER ADMINISTRATION.

"IN A WIDE-RANGING INTERVIEW WITH THE ASIAN WALL STREET
JOURNAL, CHINESE VICE FOREIGN MINISTER YU CHAN TERMED
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INTOLERABLE THE SALE OF U.S. REPLACEMENT ARMS TO TAIWAN
FOLLOWING NORMALIZATION OF RELATIONS BETWEEN CHINA AND
THE U.S. EVEN TO RAISE THIS ISSUE, HE SAID, CONSTITUTES
INTERFERENCE IN CHINA'S INTERNAL AFFAIRS.

"MR YU ALSO SAID ANY AMERICAN STATEMENT THAT THE U S
HAS VITAL INTERESTS IN THE PEACE AND STABILITY OF THE
TAIWAN REGION WOULD BE UNACCEPTABLE TO CHINA.

"SUCH UNILATERAL STATEMENTS OF U.S. INTERESTS AND CONTINUED U.S. ARMS SALES TO TAIWAN HAVE BEEN SEEN BY SOME U.S. CHINA EXPERTS AS SUPPORTS FOR TAIWAN SHOULD THE U.S. COMPLY WITH CHINESE DEMANDS TO SEVER DIPLOMATIC RELATIONS WITH TAIWAN, WITHDRAW U.S. TROOPS FROM THE ISLAND AND ABROAGTE THE MUTUAL DEFENSE TREATY.

"ABSOLUTELY INFLEXIBLE. MR YU MADE IT CLEAR THAT CHINA IS ABSOLUTELY INFLEXIBLE ON THE TAIWAN ISSUE. FLEXIBILITY, HE SAID, WILL COME ONLY WHEN THE SUN RISES IN THE WEST.

"DESPITE HIS HARD LINE ON THE TAIWAN ISSUE, MR YU SAID INTERNATIONAL PROBLEMS, IN WHICH THE U.S. AND CHINA HAVE CERTAIN COMMON INTERESTS, ARE MORE IMPORTANT THAN BILATERAL ISSUES. BUT HE ADDED THAT EVEN THOUGH GLOBAL ISSUES ARE MORE IMPORTANT, CHINA WON'T COMPROMISE ITS PRINCIPLES ON TAIWAN.

"ON OTHER ISSUES, MR YU SAID:

-- CHINA WOULD LIKE TO PURCHASE ADVANCED EQUIPMENT AND TECHNOLOGY FROM THE WEST.

-- CHINA WOULD CONSIDER PURCHASING SUCH IMPORTS ON THE BASIS OF DEFERRING PAYMENTS OVER AS MANY AS 12 YEARS.

-- CHINA, HOWEVER, REJECTS ACCEPTING ANY INTERNATIONAL LOANS.

-- CHINA WON'T PERMIT FOREIGN OIL COMPANIES TO PARTICIPATE IN THE EXPLORATION OR DEVELOPMENT OF ITS OIL
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RESOURCES ON A JOINT-VENTURE BASIS.

-- FOLLOWING ANY NORMALIZATION OF U.S. CHINA RELATIONS, CHINA WOULD PERMIT U.S. COMPANIES TO TRADE WITH BOTH CHINA AND TAIWAN.

-- DESPITE ITS OBJECTIONS IN PRINCIPLE TO U.S. OVERSEAS BASES, CHINA UNDERSTANDS THERE ARE PRACTICAL REASONS FOR THE STATIONING OF U.S. TROOPS IN BOTH JAPAN AND THE PHILIPPINES.

-- CHINA BELIEVES ALL U S TROOPS SHOULD BE WITHDRAWN FROM SOUTH KOREA AND REMAINS SKEPTICAL OVER ANNOUNCED U.S. PLANS ON TROOP WITHDRAWALS.

-- THE CARTER ADMINISTRATION FEARS THE SOVIET UNION AND HAS BEEN APPEASING THE RUSSIANS.

-- SINO-SOVIET RELATIONS WILL IMPROVE ONLY IF SOVIET POLICY POWICIES TOWARD CHINA CHANGE, BUT CHINA SEES NO SIGNS OF SUCH CHANGE.

"MR YU USED BLUNT LANGUAGE THROUGHOUT THE ONE HOUR AND 50 MINUTE INTERVIEW (WITH NO DIRECT QUOTATIONS PERMITTED) AND WAS PARTICULARLY FORCEFUL AS HE LAID OUT CHINA'S UNYIELDING POSITION ON TAIWAN AND CHINA'S ANNOYANCE AT WHAT IT VIEWS AS U.S. SOFTNESS TOWARD THE SOVIET UNION.

"HE SAID IT WOULD BE A BIG MISTAKE TO CONCLUDE THAT CHINA MUST DEPEND ON THE U.S. FOR SUPPORT AGAINST THE RUSSIANS. HE SAID CHINA IS READY TO DEAL WITH SIMULTANEOUS ATTACKS FROM BOTH SUPERPOWERS, THOUGH HE SAID HE DIDN'T MEAN TO IMPLY SUCH AN ATTACK WAS AT ALL LIKELY UNDER PRESENT CIRCUMSTANCES.

"MR YU VIEWED U.S. BEHAVIOR DURING THE FIGHTING LAST YEAR IN ZAIRE AS AN EXAMPLE OF APPEASEMENT. HE ASSERTED THAT A U.S. OFFICIAL SPOKESMAN HAD SAID THERE WAS NO PROOF OF SOVIET OR CUBAN INVOLVEMENT IN THAT FIGHTING. MR YU SAID HE WAS SURPRISED THE SOVIETS HADN'T PRESENTED THE SPOKESMAN WITH A MEDAL.

"ON ECONOMIC ISSUES, MR YU WAS CONSIDERABLY LESS BELLICOSE. HE EMPHASIZED THAT CHINA'S GENERAL POLICY UNCLASSIFIED

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IS SELF-RELIANCE BUT SAID CHINA WOULD LIKE TO BUY ADVANCED EQUIPMENT AND TECHNOLOGY FROM DEVELOPED COUNTRIES, INCLUDING THE U.S. HE SUGGESTED THAT INCREASED U.S. IMPORTS FROM CHINA WOULD FACILITATE INCREASED CHINESE PURCHASES FROM THE U.S.

"MR YU SAID THAT AT PRESENT THE U.S. DOESN'T SELL TO CHINA WHAT IT NEEDS AND CHINA DOESN'T NEED WHAT THE U.S. WANTS TO SELL. CHINA DOESN'T NEED TO BUY COCA-COLA, BECAUSE ITS PEOPLE DRINK TEA, HE SAID. BUT CHINA WOULD LIKE TO BUY ADVANCED U.S. EQUIPMENT AND TECHNOLOGY. HE IMPLIED THAT A CHINA SHOPPING LIST MIGHT INCLUDE AMERICAN ARMS.

"MR YU SAID CHINA MADE A MAJOR COMPROMISE IN PERMITTING JAPAN TO RETAIN TRADE LINKS WITH TAIWAN FOLLOWING JAPAN'S ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH PEKING IN 1972. HE SAID THIS SAME POLICY COULD BE EXTENDED TO THE U.S. FOLLOWING NORMALIZATION OF ITS RELATIONS WITH CHINA. HE EMPHASIZED, HOWEVER, THAT THIS U.S. TRADE COULDN'T INCLUDE ARMS AND SAID SUCH ARMS SALES TO TAIWAN WOULD COMPEL CHINA TO LIBERATE TAIWAN BY FORCE.
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